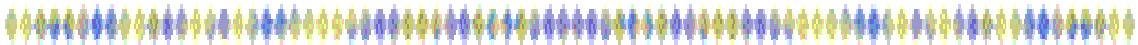


Audit Division

Correspondence Opinion Survey

November 2002

Planning Unit
Eilene Wilson
Victoria King



**Audit Division
Correspondence Opinion Survey
Summary of Results**

November 2002 Mailing

On November 8, 2002, the Audit Division mailed 142 correspondence opinion surveys to taxpayers and tax representatives who had participated in a desk audit. These examinations were completed from April 1, 2002 through September 31, 2002. The purpose of the survey is to provide management with pertinent information to improve our audit processes and to minimize intrusiveness.

Of the 142 surveys mailed, 9 were sent to Multistate Audit taxpayers and 133 were sent to General Tax Audit taxpayers. By January 31, 2003 a total of 59 surveys were received back and included in the results of this report. This is a response rate of 42 percent for this mailing process.

To continue this monitoring of taxpayer satisfaction with the administration of our audit program, the Taxpayer Opinion Survey and Correspondence Opinion Survey process is a success indicator in Audit Division's Business Plan for 2002-2003. The results of both May and November survey reports will be included in the bi-annual status reports of Audit Division's Business Plan.

Survey participation was voluntary. Participants responded anonymously and could provide additional comments.

Results of this survey mailing are summarized on the attached pages.

Findings

The following findings provide an overview of how survey respondents replied. The results were rounded to the nearest whole percentage.

Type of Examination

	No. Responding	%
Nonapportioning B & C	15	25%
Apportioning B & C	1	2%
Personal Income-CA Resident	24	41%
Personal Income-CA NonResident	6	10%
Partnership	7	12%
Subchapter S	4	7%
Limited Liability Company	2	3%
Estate/Trust	0	0%
Other	<u>0</u>	<u>0%</u>
Total	59	100%

Respondent's Role in Examination

	No.	%
Represented taxpayer during audit & prepared return	48	81%
Represented taxpayer during audit but did NOT prepare return	10	17%
Self (taxpayer)	0	0%
Other	<u>1</u>	<u>2%</u>
Total	59	100%

Communication Questions 1 through 7

1. It was clear what documents and records we needed in order to complete the audit.

	No.	%
A (Strongly agree)	29	49%
B (Agree)	23	39%
C (Neither agree/disagree)	3	5%
D (Disagree)	1	2%
E (Strongly disagree)	2	3%
F (Not applicable)	0	0%
Not included ¹	<u>1</u>	<u>2%</u>
Total	59	100%

2. We kept you updated throughout the audit process.

	No.	%
A (Strongly agree)	21	36%
B (Agree)	32	55%
C (Neither agree/disagree)	2	3%
D (Disagree)	2	3%
E (Strongly disagree)	2	3%
F (Not applicable)	0	0%
Not included	<u>0</u>	<u>0%</u>
Total	59	100%

3. We followed up promptly throughout the audit process.

	No.	%
A (Strongly agree)	22	37%
B (Agree)	27	46%
C (Neither agree/disagree)	5	8%
D (Disagree)	1	2%
E (Strongly disagree)	4	7%
F (Not applicable)	0	0%
Not included	<u>0</u>	<u>0%</u>
Total	59	100%

¹ Survey(s) received back with more than one answer marked.

Communication Questions 1 through 7 continued

4. We asked appropriate questions to gain a better understanding of your operations.

	No.	%
A (Strongly agree)	20	34%
B (Agree)	29	49%
C (Neither agree/disagree)	4	7%
D (Disagree)	0	0%
E (Strongly disagree)	3	5%
F (Not applicable)	3	5%
Not included ²	<u>0</u>	<u>0%</u>
Total	59	100%

5. Request for additional information during the audit process were understandable and clear.

	No.	%
A (Strongly agree)	22	38%
B (Agree)	23	39%
C (Neither agree/disagree)	5	8%
D (Disagree)	2	3%
E (Strongly disagree)	2	3%
F (Not applicable)	5	9%
Not included	<u>0</u>	<u>0%</u>
Total	59	100%

6. You could openly discuss with the auditor any issues regarding the interpretation and application of the law during the audit.

	No.	%
A (Strongly agree)	23	39%
B (Agree)	21	36%
C (Neither agree/disagree)	5	8%
D (Disagree)	0	0%
E (Strongly disagree)	3	5%
F (Not applicable)	7	12%
Not included	<u>0</u>	<u>0%</u>
Total	59	100%

² Survey(s) received with more than one answer checked.

Communication Questions 1 through 7 continued

7. You felt comfortable discussing any problems with the auditor, supervisor and/or program manager.

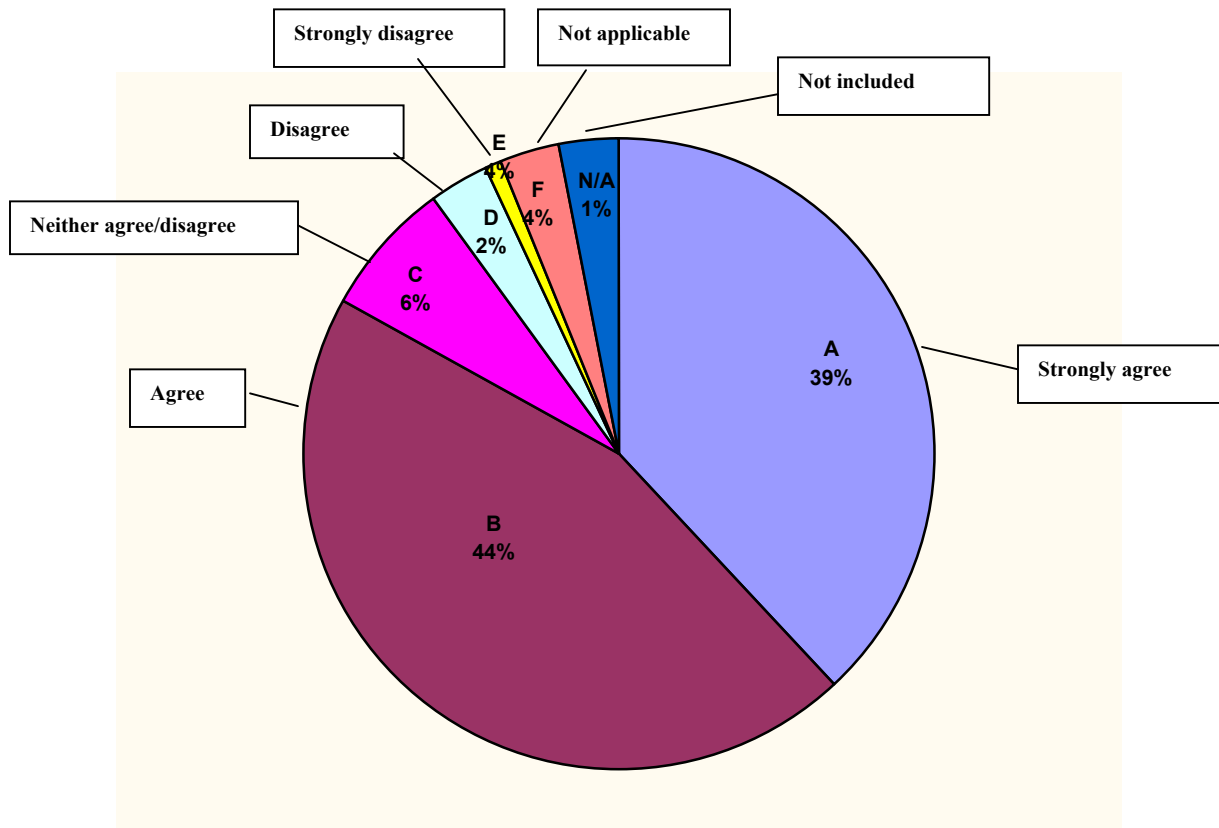
	No.	%
A (Strongly agree)	25	42%
B (Agree)	26	44%
C (Neither agree/disagree)	1	2%
D (Disagree)	2	3%
E (Strongly disagree)	1	2%
F (Not applicable)	3	5%
Not included ³	<u>1</u>	<u>2%</u>
Total	59	100%

³ Survey(s) received with more than one answer checked.

Communication Results (Summary)

In response to all seven questions on communication, an overwhelming majority of the respondents replied favorably when asked about communication issues between themselves and the Audit Division during the course of the examination. Please refer to Chart 1.

Chart 1



All Communication Questions

A (Strongly agree)	39%
B (Agree)	44%
C (Neither agree/disagree)	6%
D (Disagree)	2%
E (Strongly disagree)	4%
F (Not applicable)	4%
Not included ⁴	1%
Total	100%

⁴ Survey(s) received back with more than one answer marked.

Audit Procedures Questions 1 through 10

1. We made the purpose of the audit clear to you.

	No.	%
A (Strongly agree)	31	53%
B (Agree)	25	42%
C (Neither agree/disagree)	3	5%
D (Disagree)	0	0%
E (Strongly disagree)	0	0%
F (Not applicable)	0	0%
Not included ⁵	<u>0</u>	<u>0%</u>
Total	59	100%

2. We provided a mutually agreeable date to complete the audit.

	No.	%
A (Strongly agree)	26	44%
B (Agree)	29	49%
C (Neither agree/disagree)	3	5%
D (Disagree)	0	0%
E (Strongly disagree)	0	0%
F (Not applicable)	0	0%
Not included	<u>1</u>	<u>2%</u>
Total	59	100%

3. We suggested or accepted reasonable alternatives if you could not provide the specific data requested.

	No.	%
A (Strongly agree)	15	25%
B (Agree)	18	31%
C (Neither agree/disagree)	4	7%
D (Disagree)	3	5%
E (Strongly disagree)	2	4%
F (Not applicable)	15	25%
Not included	<u>2</u>	<u>3%</u>
Total	59	100%

⁵ Survey(s) received back with more than one answer marked.

Audit Procedures Questions 1 through 10 continued

4. We clearly stated the reasons for any proposed adjustments.

	No.	%
A (Strongly agree)	12	20%
B (Agree)	18	31%
C (Neither agree/disagree)	6	10%
D (Disagree)	1	2%
E (Strongly disagree)	0	0%
F (Not applicable)	21	35%
Not included ⁶	<u>1</u>	<u>2%</u>
Total	59	100%

5. We provided you with a written explanation summarizing all proposed adjustments.

	No.	%
A (Strongly agree)	16	27%
B (Agree)	21	36%
C (Neither agree/disagree)	3	5%
D (Disagree)	0	0%
E (Strongly disagree)	0	0%
F (Not applicable)	19	32%
Not included	<u>0</u>	<u>0%</u>
Total	59	100%

6. The computational schedules for the proposed adjustments were clear to you.

	No.	%
A (Strongly agree)	13	22%
B (Agree)	18	31%
C (Neither agree/disagree)	3	5%
D (Disagree)	0	0%
E (Strongly disagree)	0	0%
F (Not applicable)	22	37%
Not included	<u>3</u>	<u>5%</u>
Total	59	100%

⁶ Survey(s) received back with more than one answer marked.

Audit Procedures Questions 1 through 10 continued

7. We gave you sufficient time to respond to the proposed audit adjustments before we closed the audit.

	No.	%
A (Strongly agree)	17	29%
B (Agree)	24	41%
C (Neither agree/disagree)	0	0%
D (Disagree)	0	0%
E (Strongly disagree)	0	0%
F (Not applicable)	17	29%
Not included ⁷	<u>1</u>	<u>1%</u>
Total	59	100%

8. You were satisfied with the amount of time it took to complete the audit.

	No.	%
A (Strongly agree)	23	39%
B (Agree)	26	44%
C (Neither agree/disagree)	4	7%
D (Disagree)	4	7%
E (Strongly disagree)	2	3%
F (Not applicable)	0	0%
Not included	<u>0</u>	<u>0%</u>
Total	59	100%

9. We conducted the audit in a professional, courteous and respectful manner.

	No.	%
A (Strongly agree)	32	54%
B (Agree)	21	35%
C (Neither agree/disagree)	1	2%
D (Disagree)	1	2%
E (Strongly disagree)	3	5%
F (Not applicable)	0	0%
Not included	<u>1</u>	<u>2%</u>
Total	59	100%

⁷ Survey(s) received back with more than one answer marked.

Audit Procedures Questions 1 through 10 continued

10. We conducted the audit efficiently and effectively overall.

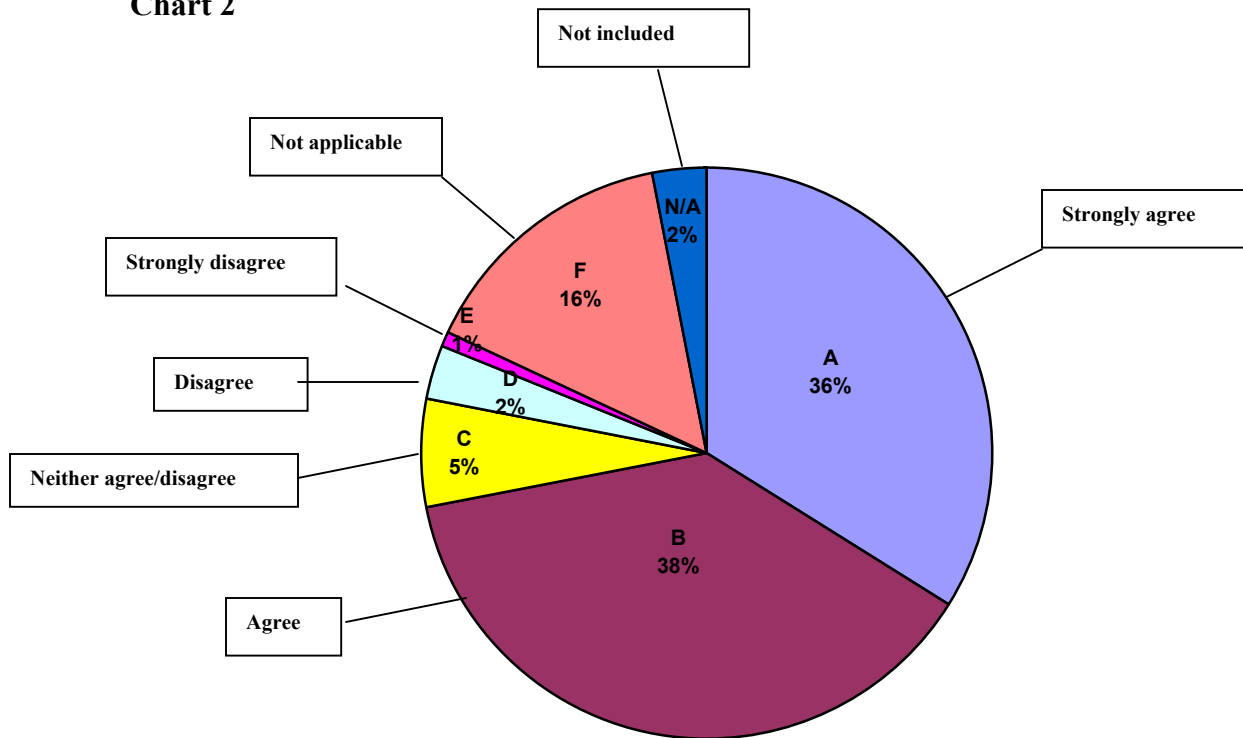
	No.	%
A (Strongly agree)	26	44%
B (Agree)	25	43%
C (Neither agree/disagree)	2	3%
D (Disagree)	2	3%
E (Strongly disagree)	3	5%
F (Not applicable)	0	0%
Not included ⁸	<u>1</u>	<u>2%</u>
Total	59	100%

⁸ Survey(s) received back with more than one answer marked.

Audit Procedures Results (Summary)

The majority of the respondents replied favorably when asked if the auditor adhered to our audit procedures. Please refer to Chart 2.

Chart 2



All Audit Procedures Questions

A (Strongly agree)	36%
B (Agree)	38%
C (Neither agree/disagree)	5%
D (Disagree)	2%
E (Strongly disagree)	1%
F (Not applicable)	16%
Not included ⁹	2%
Total	100%

⁹ Survey(s) received back with more than one answer marked.

Summary

This November 2002 mailing process completes Audit Division's fifth mailing with the response rate continuously increasing, reflecting favorable responses in the areas of communication and audit procedures when conducting desk examinations. From the responses received back into the Division, the average for "strongly agree" and "agree" out of the five mailings indicate an increase of one-to-four percent in both areas of "Communications" and "Audit Procedures".

Management can use the results of these surveys for continuously training staff on improving the audit process, and for staff career development. Sharing this information with newly hired auditors will illustrate our commitment to our goal of providing excellent customer service to the public. In addition, management can address areas where staff efforts are needed to assist the Division in reaching 100% of its success indicators in the Audit Division Business Plan 2002-2003.